

PUBLIC DISCLOSURE

May 23, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

EQUITABLE CO-OPERATIVE BANK

400 BROADWAY
LYNN, MA 01904

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

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| <p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p> |
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Equitable Co-operative Bank (or the "Bank")** prepared by the Division, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"

The rating of this institution is established upon five performance criteria as shown in the public evaluation below as well as a thorough review of investments and services and community development loans. The assessment of Equitable Co-operative Bank's record of performance is based upon its efforts in meeting the criteria outlined in this report.

The analysis of the Bank's net loan-to-deposit ratio was reviewed over the past eight quarters and stands at 69.0 percent as of March 31, 2005. This ratio has averaged 68.9 percent over the previous eight quarters. A comparison of the dollar amount for the Bank's loans and deposits as of June 30, 2003 was compared to that of March 31, 2005. This comparison revealed that net loans have increased by 13.9 percent, while deposits for the same period have increased by 8.7 percent. Based on this information and other relevant factors below in this performance criteria, Equitable Co-operative Bank is considered to meet the standards for satisfactory performance in this area.

A review of Equitable Co-operative Bank was conducted utilizing the 2003 and 2004 Home Mortgage Disclosure Act ("HMDA") data. During this period, the Bank originated 140 HMDA reportable loans totaling approximately \$23,037,000. Of these loans, 99 or 70.7 percent were originated inside the Bank's assessment area totaling \$16,110,000 or 69.9 percent of the total dollar amount. Equitable Co-operative Bank's comparison of credit extended inside and outside of the assessment area is considered to meet the standards for satisfactory performance.

An analysis of HMDA reportable originations by income of the borrower was also conducted utilizing the HMDA Loan Application Register ("LAR") data for 2003 and 2004. Equitable Co-operative Bank extended 12 HMDA reportable loans to low-income borrowers representing 12.1 percent of total originations within the assessment area. In addition, the Bank extended 19 loans to moderate-income borrowers, representing 19.2 percent of the HMDA reportable originations inside the assessment area. Equitable Co-operative Bank ranked 40th in lending to low and moderate-income individuals within its assessment area during calendar year 2003. Equitable Co-operative Bank is considered to meet the standards for satisfactory performance in this area.

GENERAL INFORMATION (CONTINUED)

The HMDA reportable loans located within the Bank's assessment area were further analyzed to determine their location by census tract income level. Of the 99 HMDA reportable loans originated within the assessment area during the review period, 4.0 percent were granted in low-income census tracts and 26.3 percent were made in moderate-income census tracts. Equitable Co-operative Bank is considered to meet the standards for satisfactory performance in this area.

At management's request, the Division considered investments and services as well as community development loans in the overall rating. The Bank's activities in these areas enhanced credit availability within its assessment area and contributed to the overall rating of Satisfactory.

Finally, there were no complaints received by the Bank pertaining to its CRA performance and the fair lending examination revealed no evidence of discriminatory or illegal credit practices.

PERFORMANCE CONTEXT

Description of Institution

Equitable Co-operative Bank is a full-service mutually owned state chartered co-operative institution chartered in 1877 to serve the various savings and credit needs of individuals and organizations. The Bank's main office is headquartered at 400 Broadway in Lynn, Massachusetts and a branch is located at 28 Nahant Road in Nahant, Massachusetts. The Bank's main office is located in a moderate-income census tract, while the branch is located in an upper-income census tract. Since the previous examination, Equitable Co-operative Bank closed its main office at 87 Oxford Street in Lynn and relocated to its current location. The previous main office was located in a low-income census tract. In addition, the Bank operates a stand-alone ATM located in a middle-income census tract in Lynn. As of March 31, 2005, assets totaled \$79,238,000 of which 55.0 percent are in the form of net loans.

Refer to the following table for additional information on the breakdown of loans.

Loan Portfolio Composition

| Loan Type | Amount (000s) | Percent |
|--|----------------------|----------------|
| One to Four-Family Residential Mortgages | \$ 28,184 | 64.2% |
| Equity Lines of Credit | \$ 7,641 | 17.4% |
| Construction Loans | \$ 4,515 | 10.3% |
| Secured by nonfarm nonresidential properties | \$ 1,729 | 3.9% |
| Secured by Multifamily (5 or more) | \$ 1,442 | 3.3% |
| Consumer Loans | \$ 410 | 0.9% |
| Total Gross Loans | \$ 43,921 | 100.0% |

Source: March 31, 2005 Consolidated Report of Condition.

Equitable Co-operative Bank is primarily a residential lender with 64.2 percent of its loans consisting of 1-4 family residential mortgages, followed by equity lines of credit with 17.4 percent, and construction loans with 10.3 percent.

Equitable Co-operative Bank has strong competition from several financial institutions within its assessment area. These financial institutions include but are not limited to the following: Eastern Bank, Brotherhood Credit Union, St. Jean's Credit Union, and Community Credit Union of Lynn, as well as representatives of regional and national banking and mortgage companies. The market influence from these institutions appears to be significant, and as a result, serves to keep the Bank's rates and services offered competitive.

Market share information obtained from PCI Services, Inc. CRA WIZ, based on 2003 aggregate performance data indicates that 339 mortgage companies, savings banks, commercial banks, cooperative banks, and credit unions have either originated or purchased residential mortgage loans within the Bank's assessment area.

PERFORMANCE CONTEXT (CONTINUED)

There are no significant financial or legal impediments, which limit the Bank's ability to help meet the credit needs of the community. The Bank's most recent CRA evaluation, performed by the Federal Deposit Insurance Corporation ("FDIC") as of February 25, 2003 assigned the institution a rating of "Satisfactory". The previous evaluation performed by the Division as of September 28, 1999 also assigned Equitable Co-operative Bank a rating of "Satisfactory".

Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Office of Management and Budget establishes Metropolitan Statistical Areas ("MSA"s) for statistical reporting purposes by federal and state agencies.

Equitable Co-operative Bank's assessment area consists of the City of Lynn and the Town of Nahant, both of which are located in Essex County.

The demographic data for this evaluation consists of 2000 U.S. Census information. According to the 2000 census data, the population of the Bank's current assessment area was 92,682, of which 36.2 percent are minorities. For analysis purposes by census tract level, the 2003 and 2004 data changed due to the change from MSAs to MA Metropolitan Division ("MD"). The assessment area consisted of 23 census tracts for both years, but the designation changed slightly from 2003 to 2004. During 2003, 7 or 30.4 percent of the census tracts were low-income, 10 or 43.5 percent were moderate-income, and 6 or 26.1 percent were middle-income. During 2004, 4 or 17.4 percent of the census tracts were considered low-income, 13 or 56.5 percent were considered moderate-income, 5 or 21.7 percent were considered middle-income, and 1 or 4.4 percent was considered upper-income.

Refer to the following table regarding housing characteristics according to 2000 Census Data.

| Geographic Income Category | <i>Selected Housing Characteristics by Income Category of the Geography</i> | | | | | |
|---|--|--|-------------------------------|---------------------------------|-----------------------------------|--------------------------------|
| | <i>Census Tracts (2003)</i> | <i>Census Tracts (2004)</i> | <i>House holds</i> | <i>Housing Units</i> | <i>Owner- Occupied</i> | <i>Rental Units</i> |
| <i>Low</i> | 30.4% | 17.4% | 14.6% | 14.8% | 5.6% | 22.7% |
| <i>Moderate</i> | 43.5% | 56.5% | 55.2% | 55.2% | 44.9% | 63.9% |
| <i>Middle</i> | 26.1% | 21.7% | 25.5% | 25.3% | 42.7% | 10.6% |
| <i>Upper</i> | 0.0% | 4.4% | 4.7% | 4.7% | 6.8% | 2.8% |
| <i>Total or Median</i> | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Source: 2000 U.S. Census

PERFORMANCE CONTEXT (CONTINUED)

The median family income for the Boston MSA for 2003 was \$80,800. During 2004, the designation changed and the Bank's activity was compared to the median family incomes for the Essex County, MA MD, which was \$76,000. The income figures are based on estimated Department of Housing and Urban Development ("HUD") information. Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

City of Lynn

The City of Lynn is a large metropolitan area that has experienced many changes over the years. It has suffered economic declines in the past and was adversely affected by the slowdown in the New England economy earlier in the decade. Some economic growth is beginning again, as the City has made major infrastructure improvements and continues to try and rejuvenate itself. The Wyoma Square area of the city where the main office is located contains many small businesses and has a neighborhood environment.

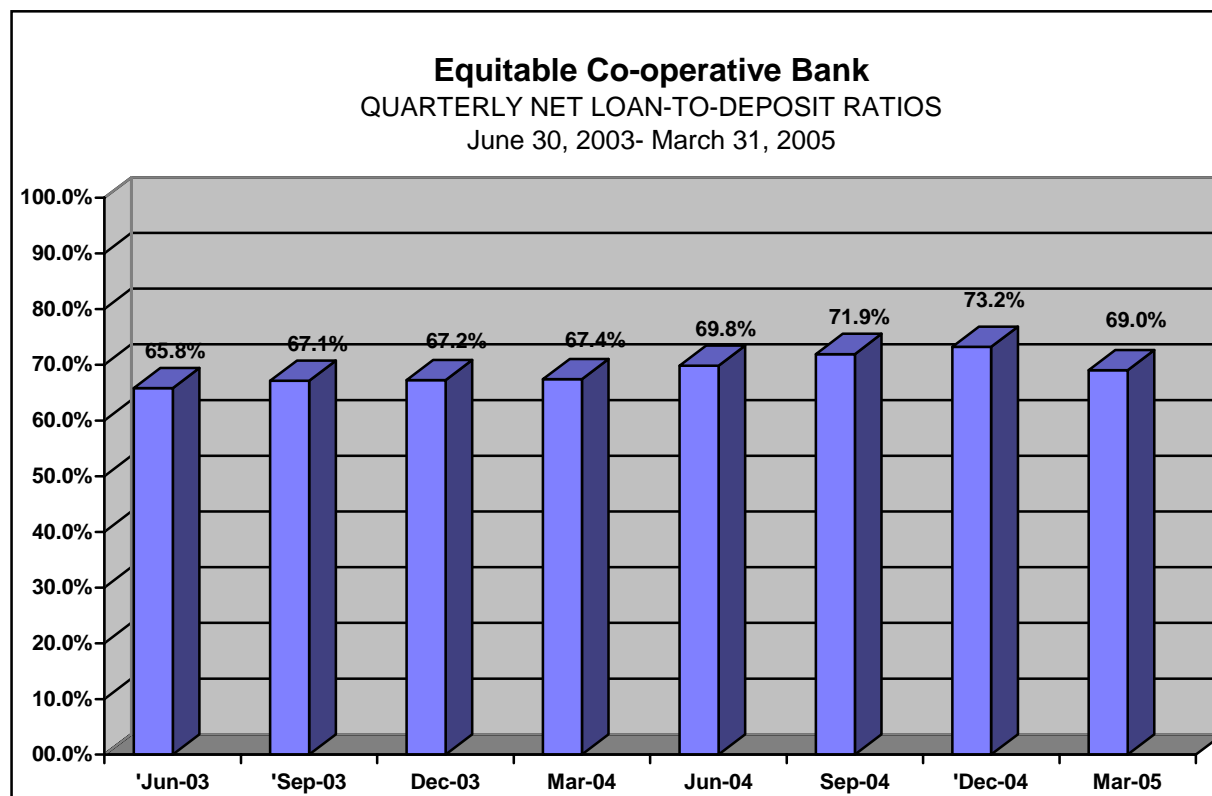
Town of Nahant

The Town of Nahant is on a peninsula adjacent to Lynn. The branch is the only financial institution located in the town.

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

A comparative analysis of Equitable Co-operative Bank's quarterly net loan-to-deposit ratios for the period of June 30, 2003 through March 31, 2005, was conducted during this examination. Using the Bank's quarterly Call Reports, the average net loan-to-deposit ratio for this period is 68.9 percent. This ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses (ALLL) as a percentage of total deposits. The following graph is provided for further analysis.



The net loan to deposit ratio stood at 69.0 percent as of March 31, 2005. The dollar amount for the Bank's loans and deposits as of June 30, 2003, was compared to that of March 31, 2005. This comparison revealed that deposits have increased by 8.7 percent, while net loans for the same period have increased by 13.9 percent. Additionally, the Bank's ratios had been slightly increasing each quarter starting at 65.8 percent as of June 30, 2003 and ending at 73.2 percent on December 31, 2004. However, the ratio has since slightly decreased to 69.0 percent as of March 31, 2005.

Equitable Co-operative Bank sells loans to the Federal Home Loan Bank, which in turn assists the institution to increase its overall loan growth. During 2003 and 2004, Equitable Co-operative Bank sold 33 loans totaling \$5,237,880.

Based on the above information and Equitable Co-operative Bank's capacity to lend, the strong competition from other institutions in the assessment area, demographic and economic factors present in the assessment area, and the lending opportunities available in the assessment area, the bank's net loan to deposit ratio is considered to meet the standards for satisfactory performance.

PERFORMANCE CONTEXT (CONTINUED)

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

Equitable Co-operative Bank's 2003 and 2004 HMDA LARs were reviewed to determine the amount of credit extended within the Bank's assessment area. During this period, the Bank originated 140 HMDA reportable loans totaling approximately \$23,037,000. Of these loans, 99 or 70.7 percent were originated inside the Bank's assessment area totaling \$16,110,000 or 69.9 percent.

Refer to the following tables for additional information regarding the Bank's HMDA reportable lending, by both number and dollar volume.

| Distribution of Home Mortgage Loans Inside and Outside of the Assessment Area | | | | | | | | |
|--|------------------------|----------|-------------------------------|----------|------------------------|----------|--------------------------------|----------|
| Year | Inside | | | | Outside | | | |
| | Number of Loans | | Dollar in Loans (000s) | | Number of Loans | | Dollars in Loans (000s) | |
| | # | % | \$ | % | # | % | \$ | % |
| 2003 | 68 | 70.8% | 10,633 | 69.9% | 28 | 29.2% | 4,588 | 30.1% |
| 2004 | 31 | 70.5% | 5,477 | 70.1% | 13 | 29.5% | 2,339 | 29.9% |
| Total | 99 | 70.7% | 16,110 | 69.9% | 41 | 29.3% | 6,927 | 30.1% |

Source: 2003/2004 HMDA DATA

As indicated in the table above, a majority of the Bank's loans originated during the examination period were inside the Bank's assessment area. The number of loans has decreased by 54.2 percent from 2003 to 2004. Similarly, by dollar volume, the Bank's HMDA reportable loans decreased by 48.6 percent for the same time period. The decrease in loans from 2003 to 2004 is due primarily to the rising interest rate environment. It should be noted that Equitable Co-operative Bank operates within a very competitive market. An additional analysis from CRA WIZ indicated that Equitable Co-operative Bank was ranked 36th in lending during 2003 throughout the assessment area. The top three HMDA reportable lenders within the assessment area were Countrywide Home Loans, Washington Mutual Bank FA, and Eastern Bank.

Based on the above information, the analysis indicates that the Bank's comparison of credit extended inside and outside of the assessment area is considered to meet the standards for satisfactory performance.

3. DISTRIBUTION OF CREDIT AMONG BORROWERS OF DIFFERENT INCOME LEVELS

The Bank's HMDA reportable loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes for 2003 were compared to the median family incomes for the Boston, MA MSA. During 2004, the designation changed and the Bank's activity was compared to the median family incomes for the Essex County, MA MD. The income figures are based on estimated

PERFORMANCE CONTEXT (CONTINUED)

HUD information. Refer to the following table for additional information of the median family incomes for the time periods reviewed.

| MSA / MA MD | 2003 | 2004 |
|--------------------|-------------|-------------|
| Boston MSA | \$80,800 | - |
| Essex County MA MD | - | \$76,000 |

The following table shows, by number, HMDA reportable loans to low, moderate, middle and upper-income borrowers in comparison to the percentage of total households within the assessment area in each respective income group.

Distribution of HMDA Reportable Loans Within the Assessment Area to Borrowers of Different Income Levels by Number

| Borrower Income Level | Total Households | | 2003 | | 2004 | | Total | |
|----------------------------------|-------------------------|---------------|-------------|---------------|-------------|---------------|--------------|---------------|
| | # | % | # | % | # | % | # | % |
| < 50% | 13,247 | 37.5% | 8 | 11.8% | 4 | 12.9% | 12 | 12.1% |
| 50 – 79% | 6,804 | 19.3% | 13 | 19.1% | 6 | 19.3% | 19 | 19.2% |
| 80 – 119% | 6,279 | 17.8% | 26 | 38.2% | 11 | 35.5% | 37 | 37.4% |
| > = 120% | 8,957 | 25.4% | 21 | 30.9% | 10 | 32.3% | 31 | 31.3% |
| Total | 35,287 | 100.0% | 68 | 100.0% | 31 | 100.0% | 99 | 100.0% |

Source: HMDA/LAR Data for the period 1/1/03 to 12/31/04

During 2003 and 2004, Equitable Co-operative Bank extended 12 HMDA reportable loans to low-income borrowers representing 12.1 percent of total originations within the assessment area. Although this percentage is below the 37.5 percent of low-income households within the assessment area, there are mitigating factors present that account for this disparity such as strong competition in the area, the percentage of people living below the poverty level who cannot afford to purchase a home, as well as the high cost of homes within the assessment area.

The Bank extended 19 loans to moderate-income borrowers, representing 19.2 percent of the HMDA reportable originations inside the assessment area. The number of loans to moderate-income borrowers is similar to the 19.3 percent of moderate-income households within the assessment area. The percentages of loans to low and moderate-income individuals have increased slightly from 2003 to 2004.

The distribution of the Bank's loans among various borrower income levels may also be compared to that of all other HMDA-reportable lenders in the assessment area. Other HMDA reporters include bank and non-bank entities such as large national banking companies, other local banks, credit unions, and mortgage companies. The most recent year for this comparison is 2003.

PERFORMANCE CONTEXT (CONTINUED)

The following table shows the Bank's distribution of loans among various income levels compared to that of the other HMDA reportable lenders throughout the Bank's assessment area during 2003.

| Distribution of HMDA Reportable Loans by Income Level Equitable Co-operative Bank Compared to All Other Reporters – Assessment Area | | | | | | | | |
|--|---|---------------|--------------------------------|---------------|---|---------------|--------------------------------|---------------|
| Median Family Income Level | Number of Loans | | | | Dollar Amount of Loans | | | |
| | Equitable Co- operative Bank | | All Other Reporters | | Equitable Co- operative Bank | | All Other Reporters | |
| | # | % | # | % | \$(000) | % | \$(000) | % |
| Low | 8 | 11.8% | 1,126 | 10.6% | 698 | 6.6% | 147,883 | 7.5% |
| Moderate | 13 | 19.1% | 3,349 | 31.6% | 1,505 | 14.2% | 575,398 | 29.0% |
| Middle | 26 | 38.2% | 2,992 | 28.2% | 4,342 | 40.8% | 590,696 | 29.7% |
| Upper | 21 | 30.9% | 1,519 | 14.3% | 4,088 | 38.4% | 329,936 | 16.6% |
| NA | 0 | 0.0% | 1,618 | 15.3% | 0 | 0.0% | 341,692 | 17.2% |
| Total | 68 | 100.0% | 10,604 | 100.0% | 10,633 | 100.0% | 1,985,605 | 100.0% |

Source: HMDA\LAR 2003 HMDA Aggregate Data

As shown above, the Bank's percentage of lending to borrowers of low-income is similar to the aggregate by number and dollar amount for 2003. Equitable Co-operative Bank originated 11.8 percent by number and 6.6 percent by dollar amount of the total loans within the assessment area to low-income borrowers, compared to the aggregate with 10.6 percent by number and 7.5 percent by dollar amount.

The Bank's HMDA reportable loans originated during 2003 to moderate-income borrowers accounted for 19.1 percent by number and 14.2 percent by dollar amount within the assessment area. Both number and dollar volume are well below the aggregate's lending to moderate-income borrowers for 2003, as 31.6 percent by number and 29.0 percent by dollar volume of the aggregate's lending were originated to moderate-income borrowers.

An analysis was also performed to determine how the Bank's originations compare to the other 339 lenders within the assessment area. During 2003, the most recent data available, Equitable Co-operative Bank ranked 40th in lending to low and moderate-income borrowers throughout the assessment area. The top three lenders throughout the assessment area for lending to low and moderate-income borrowers were Countrywide Home Loans, Eastern Bank, and GMAC Mortgage Corporation.

Based on the information above, the Bank's lending to borrowers of different income levels, including those of low and moderate-income, reflects an adequate performance. Therefore, Equitable Co-operative Bank is considered to meet the standards for satisfactory performance in this criterion.

PERFORMANCE CONTEXT (CONTINUED)

4. GEOGRAPHIC DISTRIBUTION

The HMDA reportable loans located within the Bank's assessment area were further analyzed to determine their location by census tract income level.

The following table provides a breakdown, by number, of the Bank's HMDA reportable loans within its assessment area according to census tract income level. The table also shows the number of loans in comparison to the number of owner-occupied housing units in each census tract income category.

Distribution of HMDA Reportable Loans by Census Tracts

| Census Tract Income Level | % Total Owner- Occupied Housing Units | 2003 | | 2004 | | Total | |
|------------------------------|---|------|--------|------|--------|-------|--------|
| | | # | % | # | % | # | % |
| Low | 5.6% | 3 | 4.4% | 1 | 3.2% | 4 | 4.0% |
| Moderate | 44.9% | 16 | 23.5% | 10 | 32.3% | 26 | 26.3% |
| Middle | 42.7% | 49 | 72.1% | 16 | 51.6% | 65 | 65.7% |
| Upper | 6.8% | 0 | 0.0% | 4 | 12.9% | 4 | 4.0% |
| Total | 100.0% | 68 | 100.0% | 31 | 100.0% | 99 | 100.0% |

Source: U.S. Census, HMDA/LAR – 2003 and 2004

As the table above illustrates, Equitable Co-operative Bank's lending within low and moderate-income census tracts throughout the assessment area is below that of the aggregate. During 2003, Equitable Co-operative Bank's assessment area did not contain any upper-income census tracts, however; that changed to one upper-income census tract during 2004.

The geographic distribution of the Bank's loans by census tract category may also be compared to that of all other HMDA reportable lenders in the assessment area. Other HMDA reporters include bank and non-bank entities such as large national banking companies, other local banks, credit unions and mortgage companies. The most recent data available for this analysis relates to calendar year 2003 and is presented in the following table.

PERFORMANCE CONTEXT (CONTINUED)

Lending Within the Assessment Area by Census Tract Income Level Equitable Co-operative Bank Compared to All Other HMDA Reporters

| Census Tract Income Level | Number of Loans | | | | Dollar Amount of Loans | | | |
|----------------------------------|------------------------------------|---------------|----------------------------|---------------|------------------------------------|---------------|----------------------------|---------------|
| | Equitable Co-operative Bank | | All Other Reporters | | Equitable Co-operative Bank | | All Other Reporters | |
| | # | % | # | % | \$(000) | % | \$(000) | % |
| Low | 3 | 4.4% | 1,432 | 13.5% | 433 | 4.1% | 281,854 | 14.2% |
| Moderate | 16 | 23.5% | 4,497 | 42.4% | 2,163 | 20.3% | 821,711 | 41.4% |
| Middle | 49 | 72.1% | 4,675 | 44.1% | 8,037 | 75.6% | 882,040 | 44.4% |
| Total | 68 | 100.0% | 10,604 | 100.0% | 10,633 | 100.0% | 1,985,605 | 100.0% |

Source: HMDA/LAR Data for the period 1/1/03 to 12/31/03.

As indicated in the above table, Equitable Co-operative Bank originated 19 or 27.9 percent of its HMDA reportable loans within low and moderate-income census tracts throughout the assessment area during 2003. Additionally, by dollar amount, the Bank originated 24.4 of its HMDA reportable loans within low and moderate-income census tracts. These percentages are well below the aggregate which accounted for 55.9 percent by number of loans originated within low and moderate-income census tracts and 55.6 percent by dollar volume throughout the assessment area for 2003.

Equitable Co-operative Bank's geographic distribution of loans by census tract income level is considered adequate. Therefore, Equitable Co-operative Bank is considered to meet the standards for satisfactory performance in this criterion.

5. FAIR LENDING POLICES AND PRACTICES

A review of the Bank's public comment file indicated that the no complaints pertaining to the institution's CRA performance were received since the previous examination. In addition, a review of the Bank's residential loan application files was conducted to evaluate fair lending policies and procedures. A review was conducted for compliance with fair lending regulations and no evidence of discrimination was detected.

Equitable Co-operative Bank has a written Fair Lending Policy, which is incorporated into its Loan Policy. Included in this policy are the Bank's efforts to eliminate discrimination in all aspects of lending, as well as to provide guidance to Bank employees on how to comply with fair lending policies and procedures.

Equitable Co-operative Bank markets its services and products to its community primarily through print advertisements.

PERFORMANCE CONTEXT (CONTINUED)

Minority Application Flow

Equitable Co-operative Bank's LARs for 2003 and 2004 were reviewed to determine if the application flow from the different racial groups within the Bank's assessment area was reflective of the area's demographics. Each year had to be broken out separately because the designation of races changed with the new 2004 HMDA regulations. Of the total 72 HMDA reportable applications received from within the Bank's assessment area for 2003, 64 or 88.9 percent were from white applicants and 8 or 11.1 percent were from minority applicants.

Equitable Co-operative Bank's minority application flow in 2003 was also compared to all other HMDA reportable lenders accepting applications from within the Bank's assessment area. The Bank falls below the aggregate in lending to minority individuals. Of the eight applications received from minority individuals during 2003, six resulted in originations, while two were withdrawn. Refer to the following table to observe how the Bank compared to the aggregate in 2003.

| Race | Aggregate Data 2003* | | Bank 2003 | |
|------------------------|----------------------|---------------|-----------|---------------|
| | # | % | # | % |
| <i>Native American</i> | 39 | 0.2% | 0 | 0.0% |
| <i>Asian</i> | 503 | 3.2% | 4 | 5.5% |
| <i>Black</i> | 852 | 5.4% | 1 | 1.4% |
| <i>Hispanic</i> | 1,925 | 12.2% | 3 | 4.2% |
| <i>Other</i> | 457 | 2.9% | 0 | 0.0% |
| Total Minority | 3,776 | 23.9% | 8 | 11.1% |
| <i>White</i> | 8,506 | 53.9% | 64 | 88.9% |
| <i>Not Provided</i> | 2,608 | 16.5% | 0 | 0.0% |
| <i>Not Applicable</i> | 894 | 5.7% | 0 | 0.0% |
| Total | 15,784 | 100.0% | 72 | 100.0% |

2003 CRA WIZ Data

The 2004 LAR indicates that Equitable Co-operative Bank had received 33 HMDA reportable applications. Of these applications, 27 or 81.8 percent were received from white applicants and 6 or 18.9 percent were from minority individuals. Of the six minority applications, five were originated and one was denied.

Community Development Loans

At the request of management, a review of community development lending during the examination period was conducted. Equitable Co-operative Bank financed one community development loan to a local community development corporation for \$1,297,000. Proceeds of the loan were used to build affordable housing through a Low-Income Housing Tax Credit Project ("LIHTCP"). This project is a new development of 28 units of affordable rental housing and is accessible to a number of community resources. Applicants will be determined eligible based on income guidelines provided by the LIHTCP, the HOME Investment Partnership Program guidelines, or the Housing Choice Voucher guidelines. The Lynn Housing Authority & Neighborhood Development will act as the management agent for this project.

PERFORMANCE CONTEXT (CONTINUED)

Qualified Investments & Services

Upon management's request, the Bank's performance in the area of qualified investments and services was also reviewed. To be considered for review, an investment or service must meet the definition of community development. Community development purposes are defined as affordable housing, community service, economic development, and community stabilization/revitalization. Community development services must relate to the provision of financial services.

Equitable Co-operative Bank established a wholly owned subsidiary corporation known as the Equitable Housing Corporation ("EHC"). This corporation develops real estate, including multi-family housing primarily throughout the City of Lynn. Through EHC, the Bank has been able to purchase land in Lynn and has either built new housing or rehabilitated existing units to improve the housing stock of the city. EHC has purchased, developed, and sold 23 residential properties in Lynn. Of these properties, 17 were sold to first time home buyers.

Investments

The Bank's investments for 2003, 2004, and year-to-date April 30, 2005, consisted of monetary contributions to local charitable groups and membership fees to business organizations.

Contributions were granted over the time period reviewed to several charitable organizations. Organizations include Consumer Credit Counseling Services, United Way of Massachusetts, the Salvation Army, and the Lynn Housing Authority. The Bank has granted qualified CRA contributions of approximately \$7,810 over the time period reviewed.

Services

Equitable Co-operative Bank is considered active within its assessment area. Officers, directors, and employees are involved with community organizations that address economic and affordable housing development. Through these involvement's, the Bank's staff lends their technical expertise, experience and judgment to these organizations. Following are some examples:

- A director of the Bank serves as the Vice President of the Lynn Home for the Elderly.
- A director of Equitable Co-operative Bank serves as a board member and former President of the Lynn Area Chamber of Commerce. This director also serves as board member of the Lynn Business Partnership that focuses on promoting new and current business throughout Lynn.

PERFORMANCE CONTEXT (CONTINUED)

Flexible Lending Programs

Equitable Co-operative Bank provides construction funding to the Lynn Community Development Corporation to develop and build single family units within Lynn.

Equitable Co-operative Bank continues to maintain a first time home buyer's program which offers a reduced interest rate and reduced closing costs. The first five years of the loan are at a fixed rate and the remaining years are at an adjustable rate. During 2003, 2004, and year-to-date May 31, 2005, Equitable Co-operative Bank closed 10 loans through this program totaling \$2,313,750.

Other Programs

Equitable Co-operative Bank participates in and supports the Interest on Lawyers Trust Account ("IOLTA") program which is administered by the Massachusetts IOLTA Committee. During 2003 and 2004, the Bank contributed \$3,660 toward this effort. Disbursements from the IOLTA fund are made available to organizations assisting low-income individuals with housing, income maintenance, and other consumer issues which can affect their credit rating. The availability of free legal services to low-income persons is often directly related to their ability to obtain credit and/or maintain housing.

The investments, services, community development loans, and flexible lending products described above benefit the community and low and moderate-income individuals and provide additional support to the overall rating of Satisfactory.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 400 Broadway in Lynn, Massachusetts.

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing.

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.